

CLAUSE I-36 – COVENANT AGAINST CONTINGENT FEES (August 2002)

- (a) The Subcontractor warrants that no person or agency has been employed or retained to solicit or obtain this subcontract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, SURA shall have the right to annul this subcontract without liability or, in its discretion, to deduct from the subcontract price or consideration, or otherwise recover, the full amount of the contingent fee.
- (b) "Bona fide agency," as used in this clause, means an established commercial or selling agency, maintained by a subcontractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain SURA subcontracts nor holds itself out as being able to obtain any SURA subcontract or subcontracts through improper influence.

"Bona fide employee," as used in this clause, means a person, employed by a Subcontractor and subject to the Subcontractor's supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain SURA subcontracts nor holds out as being able to obtain any SURA subcontract or subcontracts through improper influence.

"Contingent fee," as used in this clause, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a SURA subcontract.

"Improper influence," as used in this clause, means any influence that induces or tends to induce a SURA employee or officer to give consideration or to act regarding a SURA subcontract on any basis other than the merits of the matter.
- (c) Lower-tier subcontracts and purchase orders. Unless otherwise authorized by the Subcontracting Officer in writing, the Subcontractor shall cause provisions similar to the foregoing to be inserted in all lower-tier subcontracts and purchase orders entered into under this subcontract.